

# FISCAL NOTE

## HB 167

February 8, 2005

**SUMMARY OF BILL:** Reduces for four years and then eliminates the special allocation of state-shared sales tax afforded to premiere type tourist resort areas. In FY05-06, municipalities would receive 80% of the amount received in FY99-00; In FY06-07, municipalities would receive 60% of the amount received in FY99-00; In FY07-08, municipalities would receive 40% of the amount received in FY99-00; In FY08-09, municipalities would receive 20% of the amount received in FY99-00; the special allocation would be eliminated entirely on July 1, 2009.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$2,250 One-Time**

**Increase State Revenues - \$544,700 FY05**

**\$1,609,000 FY06**

**\$2,694,400 FY 07**

**\$3,778,800 FY08**

**\$4,862,200 FY09**

**Decrease Local Govt. Revenues - \$544,700 FY05**

**\$1,609,000 FY06**

**\$2,694,400 FY07**

**\$3,778,800 FY08**

**\$4,862,200 FY09**

Assumptions:

- One-time costs associated with computer programming changes estimated to be \$2,250.
- Currently, there are only two cities, Gatlinburg and Pigeon Forge, which qualify for the special allocation.
- In FY09-10, when the special allocation is phased out entirely, the municipalities would begin receiving their normal distribution of state-shared taxes.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director